

July 17, 2013

Item No. 7

**RATIFICATION OF CONTRACT MODIFICATIONS
FOR VARIOUS CHA PROJECTS**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution to ratify \$2,746,207.07 of contract modifications for various Chicago Housing Authority projects with the following contractors.

General Contractor	Project	Contract	Original Contract Value	Contract Modifications to be Ratified	Current Contract Modifications to be Ratified	% of Contract	Cumulatively over \$100,000	Revised Contract Amounts
CHICAGO COMMERCIAL	Interior Renovation at Bridgeport Homes #1	1077	\$791,673.00	\$59,068.03		7.5%		\$850,741.03
MAXWELL SERVICES, INC.	Interior Renovation at Bridgeport Homes #2	1078	\$806,486.00	\$89,888.00		11.0%		\$896,374.00
OAKLEY CONSTRUCTION	Interior Renovation at Bridgeport Homes #3	1096	\$361,434.40	\$23,249.00		6.4%		\$384,683.40
DONE RITE	S/Sites - Package 4	1110	\$542,000.00	\$73,618.00		13.6%		\$615,618.00
COLEMAN DEVELOPMENT	S/Sites (Pkg 6) - Bid Grp 1	11031 - 1	\$441,540.00	\$60,673.09		13.7%		\$502,213.09
COLEMAN DEVELOPMENT	S/Sites (Pkg 6) - Bid Grp 3	11031 - 3	\$180,470.00	\$18,105.00		10.0%		\$198,575.00
CHICAGO COMMERCIAL	S/Sites (Pkg 6) - Bid Grp 2	11032 - 2	\$396,291.00	\$53,427.00		13.5%		\$449,718.00
FRIEDLER CONSTRUCTION	Envelope Improvements at Daniel Burnham	11116	\$1,703,800.00	\$121,965.85	\$56,468.83	10.5%	X	\$1,882,234.68
OLD VETERAN	Facade Replacement and Interior Improvements at Judge Slater	11119	\$13,577,000.00	\$633,401.49	\$469,456.02	8.1%	X	\$14,679,857.51
OLD VETERAN	Envelope Improvements at Patrick Sullivan	11120	\$21,103,500.00	\$466,997.17	\$22,675.69	2.3%	X	\$21,593,172.86
OLD VETERAN	ADA Retrofit at Lake Parc	11121	\$12,686,147.00	\$347,054.94	\$250,158.96	4.7%	X	\$13,283,360.90
				Sub-Totals	\$1,947,447.57	\$798,759.50		
				CUMULATIVE TOTAL	\$2,746,207.07			

The Interim Acting Vice President ("VP") of Construction, Chief Development Officer, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE MISSION

Ensure that CHA's housing portfolio is safe, decent and sustainable.

FUNDING

General Fund

GENERAL BACKGROUND /EXPLANATION

The Significant Actions Policy states, in part that “[m]odernization activities, change orders, or cumulative change orders in excess of 5% of the contract amount or \$100,000, whichever is greater, must receive Board approval.” The general contractors listed above have existing contracts with the Chicago Housing Authority (“CHA”) to provide construction services at various properties. Each of these construction contracts have contract modifications that have cumulatively exceeded \$100,000 or 5% of the original contract amount.

The contract modifications associated with the above contracts were required to address a variety of issues, including but not limited to, health and safety concerns, critical path tasks and infrastructure finishes. The contract modifications were a result of discovered conditions, building code requirements, owner directed changes and design corrections. The Capital Construction Department has verified that the amounts invoiced by the contractors are for actual services requested by the CHA, required by Chicago Building Code or circumstance, and all rendered and/or materials and equipment provided. The failure to ratify the contract modifications listed above will likely result in protracted litigation with the contractors, who have acted under the authority of the CHA, and that the CHA has been unjustly enriched.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Interim Acting VP of Construction and Chief Development Officer concur with the recommendation to ratify \$2,746,207.07 of contract modifications for various Chicago Housing Authority projects with the above-referenced contractors.

The CEO/President recommends the ratification of these contract modifications.

RESOLUTION NO. 2013-CHA-54

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated July 17, 2013 entitled "RATIFICATION OF CONTRACT MODIFICATIONS FOR VARIOUS CHA PROJECTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby ratifies \$2,746,207.07 of contract modifications for various Chicago Housing Authority projects with the following contractors.

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				CUMULATIVE TOTAL	\$2,746,207.07			

This item is subject to the Contractors' compliance with the CHA's MBE/WBE/DBE, Section 3 and insurance requirements.

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